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SECURITY CLASSIFICATION

NSA STAFF PROCESSING FORM

TO	EXREG CONTROL NUMBER	KCC CONTROL NUMBER
DIRECTOR	81447	IG-9932-02

THRU	ACTION	EXREG SUSPENSE
D/DIR, D SECRETARIAT Nov 3/6/02	☐ APPROVAL	
SUBJECT: Quarterly Report to the Intelligence Oversight Board on NSA Activities—First Quarter FY02	☒ SIGNATURE	KCC SUSPENSE
	☐ INFORMATION	ELEMENT SUSPENSE

DISTRIBUTION

SUMMARY

PURPOSE: To forward to the Intelligence Oversight Board (IOB) of the President's Foreign Intelligence Advisory Board, via the Assistant to the Secretary of Defense for Intelligence Oversight (ATSD(IO)), NSA's quarterly report on its intelligence activities.

BACKGROUND: Executive Order 12333 and Executive Order 12863 require Intelligence Community agency heads and Intelligence Community General Counsels and Inspectors General, respectively, to report to the IOB on a quarterly basis concerning intelligence activities that they have reason to believe may be unlawful or contrary to Executive Order or Presidential Directive. The enclosed memorandum covers all reportable activities known to the Inspector General and General Counsel. Per PIOB letter of 6 August 1982, Agency heads are responsible for reporting separately any additional reportable activities known to them, unless the President has specifically instructed that the Board is not to be informed. The Director's signature signifies that no other activities that require reporting are known to him.

RECOMMENDATION: Director sign the enclosed memorandum.

Approved for Release by NSA on 12-19-2014, FOIA Case # 70809 (Litigation)

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DECLASSIFY UPON REMOVAL OF THE ENCLOSURE(S)

COORDINATION/APPROVAL

OFFICE	NAME AND DATE	SECURE PHONE	OFFICE	NAME AND DATE	SECURE PHONE
GC	Robert Deitz 3/6	5548s			
AGC(O)		3121s			
Acting IG	Brian R. McAndrew	3544s			
D/SEC	3/6 1400	963-3201			

ORIGINATOR	ORG.	PHONE (Secure)	DATE PREPARED
	D11	963-3544	19 February 2002

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DATED: 24 February 1998
DECLASSIFY ON: X1

SECURITY CLASSIFICATION

~~SECRET//COMINT//X1~~

DOCID: 4165391

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NATIONAL SECURITY AGENCY
CENTRAL SECURITY SERVICE
FORT GEORGE G. MEADE, MARYLAND 20755-6000

7 March 2002

MEMORANDUM FOR THE CHAIRMAN, INTELLIGENCE OVERSIGHT BOARD

THRU: Assistant to the Secretary of Defense (Intelligence Oversight)

SUBJECT: (U) Report to the Intelligence Oversight Board on NSA Activities - INFORMATION MEMORANDUM

(U) Except as previously reported to you or otherwise stated in the enclosure, we have no reason to believe that any intelligence activities of the National Security Agency during the quarter ending 31 December 2001 were unlawful or contrary to Executive Order or Presidential Directive, and thus required to be reported, pursuant to Section 1.7.(d) of Executive Order 12333.

(U) The Inspector General and the General Counsel continue to exercise oversight of Agency activities by means of inspections, surveys, training, review of directives and guidelines, and advice and counsel. These activities and other data requested by the Board or members of the staff of the Assistant to the Secretary of Defense (Intelligence Oversight) are described in the enclosure.

Brian R. McAndrew
BRIAN R. MCANDREW
Acting Inspector General

ROBERT L. DEITZ
General Counsel

(U) I concur in the report of the Inspector General and the General Counsel and hereby make it our combined report.

Michael V. Hayden
MICHAEL V. HAYDEN
Lieutenant General, USAF
Director, NSA/Chief, CSS

Encl:
a/s

This Memorandum is Unclassified
Upon Removal of Enclosure

DERIVED FROM: NSA/CSSM 123-2
DATED: 24 FEB 98
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1. (U) INSPECTOR GENERAL ACTIVITIES

a. (U//~~FOUO~~) During this quarter, the Office of Inspector General (OIG) reviewed various reports of inadvertent violations of the Attorney General (AG) procedures, as well as Department of Defense (DoD) and internal directives, to determine if corrective action was appropriate. (b)(3)-P.L. 86-36

b. ~~(S//SI)~~ An OIG team conducted an inspection of the Signals Intelligence Directorate (SID) [redacted]. The team found that [redacted] did not have an office-wide Intelligence Oversight (I/O) program, resulting in inconsistent compliance with I/O policies. Several recommendations were made to remedy the inadequacies identified. One recommendation addressed publishing policy and procedures for executing and managing the [redacted] I/O program, to include such things as specific supervisory responsibilities, newcomer and refresher training, and mechanisms to verify that all employees took the training. Other recommendations include listing I/O related duties in the I/O point of contact's performance plan and updating the [redacted] I/O web page to include the organization's I/O policy and procedures and the name and responsibilities of the I/O point of contact. [redacted] concurred with the recommendations and has implemented them.

c. ~~(S//SI)~~ In our report for third quarter 2001, we described an incident in which an analyst claimed that he had not submitted a query on a U.S. business even though audit data indicated otherwise. Our investigation of this incident determined that the query was unintentional. A copy of our report of investigation is attached.

d. (U//~~FOUO~~) The OIG issued its "Strategic Assessment of Intelligence Oversight" on 14 December 2001. Copies of the report have been provided to the ATSD (IO) under separate cover.

2. (U) GENERAL COUNSEL ACTIVITIES

a. ~~(C//SI)~~ The OGC reviewed various intelligence activities of the United States Signals Intelligence System (USSS) to determine whether they were conducted in accordance with applicable statutes, Executive Orders, Attorney General procedures, and DoD and internal directives. The OGC advised Agency elements on a number of questions, including the collection and dissemination of communications of or concerning U.S. persons; the reporting of possible violations of federal criminal law contained in SIGINT product; the testing of electronic equipment; and the applicability of the Foreign Intelligence Surveillance Act (FISA). With few exceptions, the issues presented were routine and indicated that the operating elements understand the restrictions on SIGINT operations. The OGC did not file any reports with the Intelligence Oversight Board during this quarter.

3. (U) SIGINT ACTIVITIES

a. ~~(S//SI)~~ Collection Against U.S. Persons

(1) (U) Intentional

~~(S//SI)~~ During this quarter, the DIRNSA granted approval for consensual collection against [redacted] persons; DIRNSA-approved consensual collection against [redacted] U.S. persons was routinely terminated this quarter.

~~(S//SI)~~ The Attorney General granted authority to collect the communications of [redacted] U.S. persons during this quarter.

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(2) (U) Unintentional

~~(S//SI)~~ This quarter, unintentional retrieval strategies using the [redacted] raw traffic files resulted in [redacted] incidents against U.S. persons. All incidents were reported to responsible oversight officials and investigated; corrective actions were taken.

b. (U//~~FOUO~~) Dissemination of U.S. Identities

(1) (U) Intentional

~~(S//SI)~~ In accordance with section 7 of USSID 18, [redacted] U.S. identities were disseminated. The following table shows the justification and the number of instances of dissemination: in the "Unmasked" column, the U.S. identity was revealed in a serialized end product; in the "User Requested" column, a U.S. identity was released to a user at the user's request.

JUSTIFICATION	Unmasked	User Requested	TOTAL
7.2.c Necessary	[redacted]		
7.2.c.1 Foreign Official			
7.2.c.2 Disclosure of classified info			
7.2.c.3 International narcotics			
7.2.c.4 Criminal activity			
7.2.c.7 U.S. Government Official			
TOTAL			

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(2) (U) Unintentional

~~(S//SI)~~ During the fourth quarter of 2001, [redacted] SIGINT products were canceled because they contained the identities of U.S. persons, organizations, or entities. Of these, [redacted] were reissued with the reference to the U.S. person obscured.

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OGA

4. (U) OTHER ACTIVITIES

(U) External Agency Relations

~~(S//SI)~~ Last quarter we reported on an incident at the [redacted] NSA Oversight and Compliance and OGC personnel identified improper use of a SIGINT computer terminal by non-SIGINT personnel and other issues. Although corrective actions were implemented, another problem was recently identified at the [redacted] SID Oversight and Compliance personnel discovered that since at least [redacted] personnel at [redacted] had been [redacted]

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[redacted] SID personnel had repeatedly informed [redacted] that this information was considered raw traffic that may not be disseminated to other than SIGINT production personnel. [redacted] had also been reminded that their unit does not have dissemination authority (per its USSID) and is not using an approved dissemination vehicle. After continuing dialogue, this issue was finally resolved. As of [redacted]

~~(S//SI)~~ As reported last quarter, [redacted] provides NSA coordination and assistance on all requests for [redacted] support from federal law enforcement agencies and Intelligence Community partners. [redacted] has been established to facilitate this effort; the OIG's testable policy base review of the operation is ongoing. During this quarter, there were [redacted] instances [redacted] in which [redacted] after OGC approval, provided assistance [redacted]

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(U) OGC Legal Authorities Briefing

(U//~~FOUO~~) The SID has engaged the OGC to present a briefing on NSA's legal authorities and restrictions to the entire SID workforce (civilians, military, contractors and integrees). It is geared toward a broad understanding of the

fundamental legal principles underlying the SID mission. At the briefing, each individual is given handouts containing a list of all the legal documents that must be read on a yearly basis, procedures for handling a USSID-18 violation, and points of contact for specific oversight issues in the SID Oversight and Compliance Office. The first briefing was presented on 6 September; after a 2-month hiatus related to the September 2001 terrorist attacks, briefings resumed on 6 November. The goal is to brief each person assigned to SID by the end of March 2002. Most individuals assigned to NSA Headquarters will attend a live presentation of the briefing; those assigned to the field and other persons unable to attend will be able to view the presentation remotely or via videotape.

(U) Databases

~~(S//SI)~~ Numerous branches in [redacted] under OGC guidance that [redacted] to avoid USSID-18 violations. Only information that is essential to understanding the intelligence is included. [redacted] Additionally, many Offices of Primary Interest [redacted] in order to ensure that they are not collected against or named in product.

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NSA/CSS OFFICE OF THE INSPECTOR GENERAL

SUMMARY REPORT
IV-01-058
7 January 2002

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I. (U) INTRODUCTION

~~(S//SI)~~ The Chief, Oversight and Compliance (O&C) Office notified the OIG by memorandum [redacted], that an analyst working in the [redacted] had used the [redacted] system to query on a U.S. [redacted] Routine review by [redacted] the back-up auditor, revealed that [redacted] queried on [redacted] a U.S. [redacted] located in [redacted] reported the incident to the O&C Office, and an inquiry was conducted by [redacted] of O&C.

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~~(S//SI)~~ [redacted] inquiry concluded that the query could only have been submitted by the user [redacted] explained that the [redacted] query was [redacted] that were made at the exact same time on [redacted] that [redacted] but not [redacted] of the queries were valid queries made on that date and time; and he had no knowledge of the other [redacted] queries, which included the [redacted] query.

~~(S//SI)~~ [redacted] then sought to find if [redacted] could have inadvertently or unknowingly queried [redacted] Personnel in charge of the [redacted] system were unable to find a scenario that could explain an inadvertent query by [redacted] therefore, the matter was referred to the OIG.

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II. (U) SCOPE

~~(S//SI)~~ We contacted several Agency offices, [redacted] to determine if any links could be established between [redacted] and [redacted] its key officers, or its location [redacted] We interviewed [redacted] (the back-up auditor), and [redacted] Operations Manager). We obtained and reviewed the backup audit report pertaining to [redacted] query activity [redacted] along with what his office submitted about the incident to the IG Quarterly Compliance Report.

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III. (U) FINDINGS

ALLEGATION: (S//SI) Did [redacted] violate USSID 18 prohibitions by targeting a U.S. [redacted]

~~(S//SI)~~ **Not Substantiated.** We found no evidence to support that [redacted] knowingly or intentionally queried [redacted] Checks with Security, [redacted] did not establish any link between [redacted] and [redacted] its key officers, or its geographic location [redacted] Further, [redacted] the backup auditor testified that she had conducted further inquiry into [redacted] operations and learned that a [redacted] (b)(1) (b)(3)-P.L. 86-36 [redacted]

~~(S//SI)~~ [redacted] testified that he has never been involved in any USSID 18 incidents since he started as an analyst at NSA in October 1978. He said at the time of the incident he thought [redacted] but added that he had no interest in [redacted] during the time frame of the incident. [redacted] reaffirmed what he stated in the O&C report - that he was responsible for [redacted] and recognized [redacted] other queries as queries he had made in the past, but not [redacted] said he had no idea where the other [redacted] queries, including the [redacted] query, came from since he could not recall ever having queried on them at all. Nevertheless, [redacted] admitted that he may have queried or considered querying on [redacted] several months prior, thinking [redacted] but could not recall more than that.

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~~(S//SI)~~ [redacted] testified that he made a thorough inquiry, and it led him to conclude that no one other than [redacted] could have been responsible for the [redacted] query. [redacted] could not determine why [redacted] would have queried on [redacted] He added that [redacted] is not on [redacted]

~~(S//SI)~~ [redacted] supervisor and the back-up auditor on [redacted] testified that she noticed the [redacted] query during a routine audit and contacted [redacted] She stated that [redacted] told her he did not know how or why [redacted] was targeted. Therefore, she sought to find out how [redacted] system could have targeted [redacted]

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~~(S//SI)~~ [redacted] testified that she learned from the [redacted] operations manager that [redacted] similar to what occurred on [redacted] provided a written technical explanation of how [redacted] She explained [redacted]

~~(S//SI)~~ [redacted] testified that based on [redacted] clean record and credibility, she determined that [redacted] query of [redacted] was inadvertent and due to the [redacted] She went on to say that though [redacted] could not recall ever querying on [redacted] he most likely [redacted]

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knowledge said she instructed all analysts using and will seek additional training for

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~~(S//SI)~~ operations manager, testified that she thoroughly discussed with stated she concurs with explanation of what led to inadvertent query on confirmed that and therefore could account for what occurred to

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IV. (U) ANALYSIS AND CONCLUSIONS

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~~(S//SI)~~ explanation coincides with testimony that he recognized queries on Those not intend to make them, because That he did not recall the queries still allows that they were probably although could not recall them. There is no way to confirm directory because, at direction, deleted all of his shortly after the incident to prevent future inadvertent queries.

(S//SI) We conclude that query on was inadvertent and the cause was corrected.

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V. (U) Recommendation

(U//~~FOUO~~) Case be closed without further action, and be notified of the results.

Assistant Inspector General

Concurred By:

Senior Assistant Inspector General
for Investigations